

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
Room 210 Senate Building, State Capitol Complex
February 5, 2013**

Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Keith Grover, House Chair
Rep. Spencer Cox, House Vice Chair
Sen. Patricia W. Jones
Sen. Howard A. Stephenson
Rep. Derek E. Brown
Rep. Jack R. Draxler
Rep. Rebecca P. Edwards
Rep. Dana L. Layton
Rep. Kay L. McIff
Rep. Maria H. Poulson
Rep. Dean Sanpei
Rep. Mark A. Wheatley

Members Excused: Sen. J. Stuart Adams
Rep. Don L. Ipson

Members Absent: Sen. Aaron Osmond
Sen. Jerry W. Stevenson
Sen. John L. Valentine

Staff Present: Mr. Spencer Pratt, Fiscal Manager
Ms. Angela Oh, Fiscal Analyst
Lorna Wells, Secretary

A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPHEd>
A list of visitors and a copy of handouts are filed with the committee minutes.

1. **Call to Order.** Co-Chair Urquhart called the meeting to order at 8:15 a.m. He thanked Sen. Stephenson for occupying the chair at the last meeting.
2. **Approval of Minutes.** There were no minutes to approve.
3. **Presentation: Ogden/Weber ATC, Angela Oh, Fiscal Analyst**

Ms. Oh stated that the Ogden/Weber ATC Budget Brief is in on Page 25 under Tab 15 of the Green Binder. She mentioned the partnership where students in the Licensed Practical Nursing program at the Ogden/Weber ATC can transfer to the Nursing Program at Weber State University. Ms. Oh reported that the appropriated budget is \$12.4 million for FY 2014 and about 154 FTE. Should additional funding become available, the Analyst would recommend \$1.379 million which would include four expansions to existing programs and two new programs. The new programs would be Veteran's Services and Physical Therapy Assistant programs. Ms. Oh stated that Page 26 of the Budget Brief gives the accountability detail. The membership hours were near 1 million for adult students and about 224,000 membership hours for high school students. About 1,000 certificates were issued in FY 2012.

4. **Pres. Collette Mercier, Ogden/Weber ATC Campus President**

Pres. Mercier introduced Matt Wardle, owner and CEO of JD Machine. She reported that the main campus of the Ogden/Weber ATC is located in the Ogden area. They serve all of Weber County and the Ogden and Weber School Districts. They have campuses at the Depot in Ogden, in Roy and the union and sheet metal apprenticeship program in the Salt Lake valley. She discussed the new Health Building which was built in 2011. Pres. Mercier reported that the UCAT system has a much broader role than just certificate completion, including occupational upgrades, working with secondary students, Custom Fit, and the apprenticeship programs. She reported that only half of their students are certificate-seeking students. They have 47 certificate programs and the advisory committees that help to keep the programs up-to-date and market driven.

Pres. Mercier discussed the positive relationship with Weber State University (WSU). There are three associate degree pathways from Ogden/Weber to WSU: nursing, apprenticeship and general technology. The nursing pathway is the largest of the three. Students complete the last year of their Associate's Degree at WSU in the new Health Building at Ogden/Weber. She mentioned that the newest Associate Degree partnership is in general technology. A student who completes 900 hours or more can take that certificate and receive 30 hours of credit towards an Associate's Degree at WSU. In order for the 30 credits to completely transfer to WSU, the student has to complete a certificate, they have to complete an additional 34 credits for an Associate's Degree before the credits are posted to their transcript.

Pres. Mercier distributed a new brochure designed like a crystal ball to help secondary students see the value of coming to the Ogden/Weber Tech College and then moving on for additional education. They are hoping to see more high school students come back to the tech colleges.

Pres. Mercier discussed the FY 2014 budget request for Ogden/Weber. They are requesting \$420,000 in program expansion and \$290,000 for new program. They would like to expand the IT options of Network Security and Mobile Applications. They would like to start a new Physical Therapy Assistant program because of the high demand in the Ogden area. They would like to expand their services for Veterans, including a full-time individual to assist Veterans in getting through a very complicated and cumbersome process in coming back to school. They would utilize their competency-based model to allow veterans to pick up schooling where they left off. Pres. Mercier discussed the budget request in the manufacturing area, where they have critical needs.

Rep. Draxler asked if the Physical Therapy Assistant program is a new program, or if they are asking for expansion of this program.

Pres. Mercier answered that they need the funding to start the program. They have established that there is a great demand.

Mr. Wardle stated that JD Machine employs about 108 people. In the past two years, they have seen a 52 percent sales increase. They are having a difficult time finding a skilled workforce. He stated that they have a very successful relationship with Ogden Weber Technical College. They tailor the program for what the local employers need. He is president of the local chapter of the national tooling and manufacturing association. One of their critical needs is more skilled workers in machining. These are high-paying good jobs. They are concerned about the capacity of the UCAT campuses to supply these machinists.

Sen. Stephenson asked about the new branding.

Pres. Mercier said that the name Ogden/Weber Applied Technology College is quite cumbersome. They have shortened the name to Ogden Weber Tech College so that it would be easier to say and recognize.

Sen. Stephenson asked if the pathway to an Associate's Degree has been established with any other institutions besides Weber State University.

Pres. Mercier answered that the Associate Degree pathway was approved by region so that the regional institutions could focus on specific programs for their region. They have very few students who move from region to region. There are options at other institutions.

Sen. Stephenson asked if articulation would be in place if students did move to another area of the state.

Pres. Mercier answered that each university has developed a slightly different model. She is confident that each institution would be willing to work on alternatives but they are not formalized.

Pres. Mercier said that the return on investment is when students are placed in jobs. She reported that in FY 12 over 1,400 students were placed in jobs relating to their programs, with an average wage of \$30,000. These students return the entire direct cost of their instruction in about 2½ years. There are significant benefits given back to the community. She mentioned that their students complete these programs without much student debt. She highlighted five students who completed programs at Ogden/Weber and their current success.

Sen. Stephenson stated that this is exactly what Dr. Carnevale discussed in his recent report which was distributed at the last meeting.

Pres. Mercier said that these partner companies will often reimburse students for their educational costs.

Mr. Wardle said that they have a number of employees who are attending college at night. Their value to his company is tremendous. JD Machine does help pay educational costs for these employees.

Co-chair Urquhart thanked Pres. Mercier for her report and noted that the statistics shown were amazing. He refers to it as MAPS (Most Affordable Pathway to degreeS). He mentioned the great design of the handout prepared for the secondary students. He thanked Ogden/Weber for leading the way to these tremendous pathways for students. He asked how many high school students are currently enrolled.

Pres. Mercier said there are about 700 high school students, and about 200 are seniors. This degree has just been approved, so they don't have students on this pathway yet. They will follow-up on this next year.

5. Presentation: Weber State University, Spencer Pratt, Fiscal Analyst

Mr. Pratt referred the Committee to Tab 8 in the budget book. He stated that Weber State University is a large comprehensive University in Ogden, Utah. They have programs in applied technology, associate degrees, baccalaureate degrees and a limited number of master's degrees. In FY 2012 they had a FTE enrollment of 15,400. He explained that Figure 3 showed the funding mix, which is almost 50/50 between tuition and state funding. The graph on Page 2 graph shows retention rates and graduation rates. The retention rate is about 70 percent and the graduation rate for FY 2011 was 34 percent. He said the graph on Page 3 shows that about 60 percent of courses are taught by full-time faculty and that Page 4 is the recommended budget of \$129.3 million for FY 2014.

6. Pres. Charles A. Wight, Weber State University President

Pres. Wight discussed the vision at Weber State University (WSU) to be the national model for a dual-mission university. Dual mission reflects that it is both a community college and a four-year university. It is almost evenly divided between associate degrees and bachelor's degrees. WSU is ranked number 12 in nursing and related associate degree programs. He stated that nursing is one of the largest programs. He stated that the partnership with the Ogden/Weber ATC and the Davis ATC is one of the reasons for its success. The three major focus points at the university are access, community and learning.

Rep. McIff asked about the progress of the recently funded engineering program.

Pres. White answered that it takes time for a new program to grow. They should have 15 graduates this year and probably about 20 graduates in following years.

Pres. Wight discussed the WSU student profile, stating that most of their students are from Weber and Davis County. He stated that the headcount enrollment has grown to 26,680 students for Fall 2012. He discussed three of the most successful WSU students. He discussed many programs they have to increase student success. He mentioned the "Dream Weber" program for lower income students where tuition and general student fees are free for up to eight semesters. This is done with a combination of federal, state, and private donations.

Pres. Wight reported that nearly 20 percent of enrollment is in a fully on-line environment. They are moving strongly to hybrid classes; where there is a face-to-face component as well as an on-line component. He discussed the technology enhanced redesign of mathematics program called TERM. Students work at their own pace to demonstrate mastery of various subjects in math. They can complete up to three math courses in one semester for the price of one. He discussed the articulation pathways with the ATC's. He showed a diagram of various career/education programs in licensed practical nursing, associate degree, registered nurse, Bachelor of Science Degree in nursing and a Master's Degree in nursing.

Pres. Wight discussed the three main emphases of the USTAR program, and the fact that the Weber North USTAR technology commercialization team has earned \$440,000 in grants over the past 18 months. He reported on some of their institutional outcomes. WSU has 27.8 degrees earned per 100 FTE students, which is above their peer institutions and the USHE average. Their total expenditures per degree are at \$32,820, which compares favorably to other institutions.

Co-chair Urquhart commented on the demographics of the students at WSU. Completion for non-traditional students is more challenging. He praised WSU for its math program, articulation of credits, flexibility. WSU has set a high standard. He thanked Pres. Wight for the success at WSU.

Pres. Wight indicated that since he has only been president for one month, President Ann Millner should be given credit for her strong leadership.

Pres. Wight discussed the legislative priorities at WSU. They are requesting \$60,867,000 for their science lab building replacement project. They have had private donations of \$5 million and are asking the State for the additional funding to fill this critical need. Other budget priorities would include faculty/staff compensation, \$2,295,000 towards meeting the 66 percent goal. They asking for mission based funding to help with the supply chain management program, which is currently in high demand. They would request equity funding in the amount of \$799,800 to increase baccalaureate degrees in high demand areas and expand two year degrees. They have a small request of O & M funding for the Hurst Center for Lifelong Learning.

Co-chair Urquhart thanked Pres. Wight for the presentation.

Sen. Stephenson asked about the percent of on-line instruction. He would like a breakdown of the courses that were offered.

Pres. White answered that WSU was one of the first institutions to offer on-line courses. They are generally spread throughout the curriculum, but mostly focused in General Education. He will provide more detailed information for the Committee.

Sen. Stephenson asked staff for a comparison on the on-line courses that were specifically funded through the TICE initiative.

Pres. White reported that these were designed as hybrid courses by USHE faculty members and then taught by high school teachers. The USHE system offered these courses through Distance Education to students in rural areas so every student would have access to the TICE courses. Each USHE institution has adopted one or more of the TICE courses and will offer it through interactive video conferencing.

7. Presentation: Davis ATC – Angela Oh, Fiscal Analyst

Ms. Oh explained that the Budget Brief for the Davis ATC was under Tab 15 and page 13. She mentioned the partnerships with MACK and Volvo. She mentioned agreements with WSU in the nursing program. The FY 2014 appropriated Base Budget is \$12.2 million. The budgeted FTE is about 160. Should additional funding become available, the Analyst would recommend an additional \$1.4 million. This would include nine programs; seven would be program expansions; and two new programs, health information technician and non-destructive testing. The accountability details are on page 14, membership hours for high school students were about 220,000 and for adult students were about 1.3 million membership hours. Student headcount was 1,400 high school students and adult student headcount was about 6,200. For FY 2012, there were 1,320 certificates awarded.

8. Pres. Michael J. Bouwhuis, Davis ATC Campus President

Pres. Bouwhuis thanked the Committee members for their support. He stated that the main campus for the DATC is in Kaysville. With help from Legislature, they have about seven programs with the Utah State prison, and a business resource center in Morgan. Recently, they were able to obtain a facility at the Freeport Center, which is currently being remodeled, and they hope to move in this spring.

Pres. Bouwhuis stated that the FY 2012 outcomes include 76 percent completion, 88 percent placement and 88 percent licensure. Over the past four years they have experienced a 41 percent increase in membership hours. He discussed some of their national partnerships including ATK, Polaris, Okuma, Volvo, MACK, and Lincoln Electric. Last year they had 1,797 total partnership trainees. They have had a 20 percent increase in Custom Fit training and have offered 124 new hybrid/online courses. The business resource center in Morgan was funded by the city. He discussed the partnership with some private funding sources and the success of several of their incubator businesses including Campus Book Rentals and Instafire.

Pres. Bouwhuis discussed the return on investment. In FY 2012 there were 1,262 students placed in related employment. He discussed the partnership with WSU; specifically the nursing program, the diesel/heavy duty technology program, paramedic training. He discussed the charter school pathway. The DATC is requesting \$319,500 for an expansion in their composites program. They would like to put a program at the Freeport center. They are requesting \$237,800 for expansion in machine tool technology, \$167,800 for expansion in welding technology; \$327,800 for expansion in the nursing program, \$112,600 for expansion in the dental assisting program, \$70,400 for expansion in the

medical assisting program, and \$83,900 for expansion in the industrial automation program. They are requesting for \$97,400 to fund a new health information technician program

Rep. McIff asked Pres. Bouwhuis about the type of welding technology that is needed.

Pres. Bouwhuis answered that welding has become much more technical, including robotic welding and pipe welding. They train individuals in the national welding society certification program.

Pres. Bouwhuis introduced Mike Jensen who is the CEO of the Davis Hospital and Medical Center. Mr. Jensen stated that he was speaking on behalf of the allied health profession. He discussed the success of the partnerships with DATC and WSU. Utah has the reputation for high quality health care at low costs. One of the contributing factors is the commitment for employees who want to stay in the community. The need for health care individuals is going to increase and there will be a significant employment need for all of the allied health professionals.

Pres. Bouwhuis reported on the high work ethic in Utah. ATK has moved back to Clearfield Utah and will hire 900 new employees. DATC will be an integral part of this hiring process. Lifetime Products, Inc. is in the Freeport center. To meet their needs, the DATC needs to expand in the composites materials area.

Co-Chair Urquhart relinquished the Chair to Co-Chair Grover.

Sen. Jones asked about the status of the nursing shortage and a comparison of tuition for nursing students with other institutions. and nursing faculty.

Pres. Bouwhuis answered that generally the LPN program at DATC would cost about \$2,000 - \$3000 and about \$5,000 - \$7,000 while at WSU. Tuition for private schools is about \$35,000 - \$40,000. During the economic downturn, nurses that were employed needed more hours. At that time it might take six months for nurses to get a job. The nursing demand is now higher. Hospitals have to grow for the clinical piece of the training. He reported that they have never had a problem in finding qualified and quality nursing faculty.

Rep. Wheatley asked how many students are served at prison, whether these programs are for men and women, and if any new programs have been developed.

Pres. Bouwhuis stated that there are between 300-400 students at the prison. The business programs and culinary arts programs are for women. They would like to expand both of these and perhaps add an IT program. They have had great success at the prison. However, it may be difficult if the prison moves.

9. Issue Brief – USHE O & M (State Funded)

Mr. Pratt explained that this Issue Brief is on Page 3 behind Tab 3 in the Budget Binder. He explained that at the time when a building is approved by the Legislature; the predicted amount for Operations and Maintenance (O & M) is put in the budget. This funding is then backed out on a one-time basis each year until the building is functional. Page 4 shows the buildings that have been approved but not yet functioning. The building at the U of U will be finished this fiscal year. A year ago it was thought that the building at SLCC would be finished this year. The completion date for that building has been pushed back until September, so the Analyst is recommending an additional reduction of \$12,400 for the current year and \$24,400 for FY 2014. The Instructional Administration Complex at SLCC is in a similar situation, so the Analyst is recommending a reduction of \$114,000 for the current fiscal year and \$113,200 for FY 2014. These are all one-time reductions. The Business Building at USU was

approved two years ago. The projected completion date is in about 18 months, so the Analyst is recommending that almost the full amount of \$733,700 be reduced for FY 2014.

Rep McIlff asked where the money is transferred when it is pulled back.

Mr. Pratt answered that it goes back to the General Fund as one-time funds, it is then available for whatever purpose the Legislature sees fit to allocate it for.

Co-chair Urquhart resumed the chair.

10. Issue Brief – OSHE O & M (Non-State Funded)

Mr. Pratt explained that these facilities are acquired through capital fundraising, private donation, or some other method besides state funding. They were approved by the Legislature to be built, but they are not state funded. He explained that the information regarding these buildings starts on Page 5 of the Issue Briefs. Since the economic downturn beginning in 2008, O & M requests for these buildings have not been approved. USU, WSU and the U of U are requesting O & M for these non-state funded buildings in FY 2013 for a total of \$2.9 million and for FY 2014 a total of \$4.2 million. Any funding decision is up to the Legislature.

11. Issue Brief – USHE Degrees

Mr. Pratt explained that this is an informational item, starting on Page 25. It shows the number of degrees awarded by institution and the type of degree awarded. There is a similar chart for each institution. He noted that on Page 26, the USU chart includes all of the regional campuses, which now includes what used to be CEU. Beginning on Page 31, Mr. Pratt has added information that shows by institution by type of award; the field of study that they were awarded in.

Co-chair Urquhart asked if Mr. Pratt could calculate the amount of money that goes to the institution and correlate that to the number of degrees and certificates that each institution awards. Mr. Pratt will bring this information to a future meeting.

12. Issue Brief – USHE Historical Enrollment

Mr. Pratt stated that the last item is informational. It begins on Page 39 and shows the USHE Historical Enrollment for each institution. It shows the headcount and the annualized budget-related FTE for each institution. The information for USU is on Page 40 and is broken out for the Logan campus and the regional campuses. On Page 45 is a summary for the entire USHE system. This shows the numerical annualized budget related FTE at 121,640 and headcount at 150,600 headcount.

13. Committee Discussion

Co-Chair Urquhart asked for Committee discussion on any of these items, or if there is a request for additional follow-up items.

Sen. Stephenson stated that he had two items for which he would like further information. It was noted that Custom Fit training is not counted as certificate bearing training. He would like to see if there is some way to give some level of competency, or is it so focused, that it wouldn't be generally transferable.

Pres. Brems stated that they are trying to take some guidance about the discussion regarding the Custom Fit program. All eight campuses have Custom Fit programs. There are Custom Fit programs

at USHE institutions. These programs range from a few hours to a few days. They will try to prepare some data regarding this training and bring it to the meeting on Friday.

Sen. Stephenson would like more information regarding the \$3.1 million spent in the 20 TICE courses that are dual/concurrent enrollment. The Analyst is recommending that if additional funding is available that an additional \$150,000 in on-going and \$600,000 in one-time for the remaining courses. He would like to compare concurrent enrollment in these basic courses to the same courses that WSU has put totally on-line. He would like to see what value has been received for these expensive TICE programs. He is very supportive of encouraging more on-line and blended learning.

Co-chair Urquhart mentioned that there will be presentation on the TICE program at the Wednesday, February 20 meeting. He asked if institutions do more to collaborate on this issue. This could be a very robust conversation for our institutions.

Co-Chair Urquhart asked staff to pull together some of this information. Comm. Buhler will help with any needed information.

Rep. Layton agreed with Sen. Stephenson that there ought to be a way to count Custom Fit programs towards the 66 percent goal. She stated a philosophical concern that as the Committee looks at the Governor's charge, STEM programs and employability, their perception towards these programs might become skewed. The Committee needs to remember that all education has an intrinsic value. She noted that Page 32 shows that Liberal Arts and General Studies constitute 60 percent of degrees awarded. This goes along with what Rep. Poulson said at a past meeting regarding the value of Liberal Arts. The Committee should not diminish the value of certain types of education over others. It is the duty of the Committee to be stewards of the state funding toward education and to ensure a return on investment. Some of this return on investment may be difficult to measure. Education has great value to individuals that might not always be monetary in nature.

Co-chair Urquhart said that Higher Education has to be more responsive to the market place. At the same time, the most predictive thing towards success is command of the language. While certain degrees have high value, there is more complexity in being more responsive to the market place.

Rep. Edwards requested for additional data regarding Pages 31-37 where different degrees and certificates are awarded. She would like some completion data per category, initial enrollee numbers with those who are actually completing the certificate or degree. She would like enrollment information added to Page 56 which shows the shift in the amount of state and tuition funding.

Co-chair Urquhart said that the shift from state funding to tuition is quite staggering. Perhaps the Legislature should move towards funding more on completion and jobs upon completion.

Rep. Poulson appreciated the helpful information. She stated that individuals who have worked for many years realized that there is no degree that absolutely prepares them for a certain job. The duties and the skills required change over time. As the Committee looks at this, it is important not to focus on one degree over another. Not all students are meant to be engineers. Statistics show that STEM degrees are only 7 to 9 percent of available jobs. Other students will have to be educating themselves all of the time.

Sen. Stephenson agrees with what has been said. He feels that often students don't know what they don't know. The whole K-16 system needs to do a better job of making students aware of the choices available to them and the results of those choices. He stated that a portion of the 60 percent of students getting a General Education Associates Degree may not realize that they could get a degree in a specific area and earn more money as they are paying for a B.A. degree. He spoke about the benefit of the Utah Futures program to help students make more informed choices.

Co-Chair Urquhart thanked the individuals for the presentations made today and the Committee members for this discussion.

4. Adjournment.

MOTION: Rep. Edwards moved to adjourn. The motion passed unanimously. Committee Co-Chair Urquhart adjourned the meeting at 9:55 a.m.

Sen. Stephen H. Urquhart, Senate Chair

Rep. Keith Grover, House Chair